

# **SMITH COUNTY PLANNING OFFICE**

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To: Butch Phillips  
From: Kevin Rush, Planning Director  
Date: June 17, 2005  
Re: Smith County survey response

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This letter is in response to your letter regarding any bonding requirements that Smith County imposes on wastewater companies operating (or planning to operate) within our geographical boundaries.

1. Does your county require any type of bond to be in place before a wastewater utility can construct or operate within your county? if so, what type of bond is required?

**The only bonds required for construction in Smith County are those relating to subdivision of land. We would require that any development that wishes to use sewer collection lines to post a letter of credit, certified check, or escrow account at a local bank to cover the cost of installing the lines and other facilities. The amount would be cost plus 10 percent for inflation.**

2. What is the amount of bond that a utility must post, before receiving approval to construct the system within your jurisdiction?

**None besides those required above**

3. What is the amount of bond that a utility must post, before receiving approval to operate the system within your jurisdiction?

**None besides those required above**

4. What is the required term of the bond(s)?

**Letters of credit must be irrevocable, cannot expire within 1-2 years, depending on amount of construction required.**

5. If there is a bonding requirement in your county, are there any exemptions to that requirement? If so, please list or describe the exemptions permitted.

**A developer may install all improvements such as water, sewer, roads, etc before submitting a final plat, and improvements must be accepted by the appropriate jurisdiction**

Please feel free to call me at your convenience if you have any other questions or if I can be any further assistance.

Sincerely,

Kevin Rush  
Smith County Planning Director